and competitive industrialisation. Today, Indian industry is experiencing a broad-based recovery with industrial growth of 8.7% in April-November, 1994. The manufacturing sector is growing even faster at 9.2% per cent and the capital goods sector is growing at 24.7 per cent.

**Devaluation of currency and inflation**

2231. SHRI RAJ NATH SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of the continuous rise in inflation rate during recent times. If so, the trend of inflation rate during last one years, monthwise;

(b) whether Government have made any assessment of the reasons in hike in inflation rate vis-a-vis the ongoing economic reforms;

(c) whether Government propose to devaluate the currency in the light of rising inflation; if so, the details including the suggestions against such move received from different quarters; and

(d) what immediate steps Government are contemplating to arrest the inflationary trends to sustain peoples faith in economic reforms?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) The Government is deeply concerned about the renewal of the inflationary trend observed since November, 1994. During 1994-95, the annual inflation rate has ranged from a high of 12 percent in April-May, 1994 to a low of 8.4 per cent at the end of September, 1994. The latest inflation rate on point to point basis as on 11th March 1995 was 10.3 per cent.

(b) Broadly the reasons for the latest rise in prices are ascribed to the following factors;

(i) high growth of monetary variables, mainly because of strong build up of foreign exchange reserves;

(ii) production short falls in 1993-94 in sugar, cotton, jute and groundnut causing short term supply imbalances leading to sharp rise in their prices;

(iii) spillover effect of administered price increases in wheat, rice, sugar and energy inputs in later months of 1993-94;

(iv) cimulative impact of large increase in minimum support prices continuously for the past three years has resulted in higher primary product prices and produced upward pressures on the wage goods.

(c) No, Sir.

(d) Government has taken a number of steps on the supply side to moderate the price of important essential commodities. Open market sale of rice and wheat from public stocks has enabled the Government to stabilise the price of both these vital cereals. Placing sugar on OGL and imports of 10 lakh tonnes for supply through PDS helped in overcoming the difficulty that arose from sharp drop in domestic output of sugar in 1993-94. Similarly, import of palmolein oil for supply through PDS on a concessional duty of 20% and, more recently placing of all major edible oils under OGL at a reduced duty of 30% is aimed to contain further inflationary pressures in essential commodities. On the demand side the Government is determined to contain the growth of money supply during the current fiscal year for which a number of steps have already been initiated.

**Tax realised from Hindu undivided family**

2232. SHRI SATISH AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) the total number of assessees belonging to Hindu Undivided Family (HUF) category, both specified and unspecified, and the total tax realised from them during the asseesment year 1993-94; and

(b) whether Government propose to increase the exemption limit for the assessees of this category so as to prevent further fragmentation of Hindu Undivided Family?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) The approximate total number of assessees belonging to the category of Hindu Undivided Family for the assessment year 1993-94 was 4.04 lakhs. Seperate details of total tax realised only from the Hindu Undivided Family Cetegory of assessees are not maintained by the Ministry. Any attempt to compile the same now will involve manual verification of lakhs of entries in

the registers of the Income-tax Department at enormous time and cost which may not be commensurate with the result sought to be achieved.

(b) A proposal to increase the basic exemption limit from the existing figure of Rs. 35,000 to Rs. 40,000 in respect of those Hindu Undivided Families which do not have any member whose total income exceeds the basic exemption limit, is contained in the Finance Bill, 1995 (Bill No. 12 of 1995) which is before the Parliament.

**Recovery of Bad Debts of Banks**

2233. SHRI SOM PAL: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to an article by Shri Subhash K. Basu on 'Recovery of Bad Debts of Banks...' published in the 1-15 July, 1994 issue of Economic News and Views magazine;

(b) if so, what are the details of the irrecoverables of the public sector banks as on date;

(c) how much of such advances are in the agricultural sector and how much in the non-agricultural sector;

(d) what are the names of the defaulters having loans of Rupees one lakh and above;

(e) what is being done to recover these arrears;

(f) what steps are being taken to streamline the lending norms so that the incidence can be brought down; and

(g) what are the amounts of loans written off during the past three years with a break-down of them between agricultural and non-agricultural sectors?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) Yes, Sir.

(b) Details of irrecoverables of public sector banks as on 31.3.94 as reported by RBI are given in the statement (loss assets). (*see* below).

(c) and (d) RBI has reported that its existing data-reporting system does not yield information in the manner asked for in the Question.

(e) Government and RBI have been impressing upon the bank the need for strengthening their machinery for credit appraisal and for exercising effective supervision and control over banks so as to ensure proper end use of the funds advanced, to create recovery cells in the Head Offices and to improve productivity levels. Prodential norms have been introduced. Government has also established Debts Recovery Tribunals to speed up the recovery of banks dues. Computerization in busy/selective areas has also been undertaken.

(f) RBI has intimated that at present no further steps for streamlining the lending norms are contemplated.

(g) RBI has reported that during 1992, 1993 and 1994 the amounts of loans written off are Rs. 650.91 crores, Rs. 1111.43 crores and Rs. 1398.35 crores respectively.

**Statement**

*Details of irrecoverables (Loss Assets) of Public Sector Banks as on 31.3.94*

| Sl. No. | Public Sector Banks | Amount (Rs. in crores) |
|---|---|---|
| 1. | State Bank of India | 1506.34 |
| 2. | State Bank of Bikaner and Jaipur | 40.45 |
| 3. | State Bank of Hyderabad | 111.01 |
| 4. | State Bank of Indore | 7.71 |
| 5. | State Bank of Mysore | 27.75 |
| 6. | State Bank of Patiala | 28.95 |
| 7. | State Bank of Saurashtra | 16.30 |
| 8. | State Bank of Travancore | 2.45 |
| 9. | Allahabad Bank | 31.13 |
| 10. | Andhra Bank | 9.05 |
| 11. | Bank of Baroda | 41.37 |
| 12. | Bank of India | 88.42 |
| 13. | Bank of Maharashtra | 160.69 |
| 14. | Canara Bank | 202.98 |
| 15. | Central Bank of India | 48.87 |
| 16. | Corporation Bank | — |
| 17. | Dena Bank | 27.00 |
| 18. | Indian Bank | 107.84 |
| 19. | Indian Overseas Bank | 300.00 |
| 20. | Oriental Bank of Commerce | 1.31 |
| 21. | Punjab National Bank | && |
| 22. | Punjab and Sind Bank | 110.17 |
| 23. | Syndicate Bank | 187.26 |
| 24. | Union Bank of India | 24.66 |
| 25. | UCO Bank | 151.00 |
| 26. | United Bank of India | 173.00 |
| 27. | Vijaya Bank | 25.08 |

&& Balance sheet not yet finalised.